WHAT IS CLAIMED IS:

1. A method for encoding a video bit stream having a plurality of frames, each frame being composed of a plurality of blocks, the method comprising:

re-constructing frame pixels of a reference frame after compressing the reference frame;

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compressing the re-constructed frame pixels of the reference frame into compressed re-constructed frame pixels;

storing the compressed re-constructed frame pixels in a temporary storage device; and

decompressing the re-constructed frame pixels within a searching range of a target block when calculating a motion vector of the target block, wherein the target block of a target frame is to be encoded by reference to the reference frame using the motion vector.

- 2. The method of claim 1, wherein the re-constructed frame pixels are compressed into forms of groups of blocks (GOB), and at least one group of GOB within the searching range is decompressed when calculating the motion vector.
- 3. The method of claim 1, further comprising a step for compressing at least one block of pixel of the referencing frame into GOB, group of blocks and decompressing at least one GOB into block pixels of a predetermined searching range for best match block searching in motion estimation.

4. The method of claim 1, wherein a DPCM, Differential Pulse Modulation and a VLC, Variable Length Coding techniques are applied to reduce the bit rate of at least one block within at least one re-constructed frame pixels.

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5. A method for encoding a bit stream of a picture composed of lines of pixels, comprising:

losslessly compressing at least one line of pixels;

saving the at least one compressed line of pixels into a storage device; and

decompressing at least one pixel of at least one line of pixels for predicting the value of a target pixel to encode the target pixel.

- 6. The method of claim 5, wherein a prediction is done by calculating at least one pixels of the surrounding pixels of a target pixel.
- 7. The method of claim 5, wherein a DPCM and a VLC coding technique are applied to reduce the amount of pixel data.
 - 8. An apparatus for encoding a video stream, comprising:

a re-construction device for re-constructing frames pixels of a reference frame after the reference frame is compressed;

a compression device for compressing the re-constructed frame pixels into compressed re-constructed frame pixels;

a temporary buffer for storing the compressed re-constructed frame pixels; and

a decompression device for decompressing pixels within a searching range of a target block when calculating a motion vector of the target block.

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- 9. The apparatus of claim 8, wherein a single silicon chip is implemented to integrate the above devices.
- 10. The apparatus of claim 9, wherein a single silicon chip integrating theabove devices is implemented by a CMOS logic process.
 - 11. The apparatus of claim 9, wherein a single silicon chip integrating the above devices is implemented by a DRAM process.
- 12. The apparatus of claim 9, wherein a single silicon chip integrating the above devices is implemented by a Non-Valentine Memory process.

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